

ARTICLE APPEARED
ON PAGE 20

TIME

9 March 1987

COVER STORIES

Can He Recover?

After the Tower report's indictment, Reagan calls in an old hand



The big question raised by the Tower commission cannot be found anywhere in its report—not in the damning findings, not in the eight appendices, not in the convoluted diagrams, not in the numbingly detailed chronology of misdeeds and folly. At least not in so many words. But it shadows and haunts almost every line on the 288 blue-bound pages: Can Reagan recover?

Not just from the backlash of a misconceived and bungled policy of trading arms for hostages, though that backlash could damage all U.S. foreign relations. Not just from suspicions of illegality in aiding the Nicaraguan *contras*, though those suspicions threaten to undermine

one of the President's most cherished goals. Not even just from further revelations of incompetence, cover-up or worse that may come out of probes by congressional committees and Special Prosecutor Lawrence Walsh building on the Tower findings, painful and protracted as that process will be.

Rather, the real question for Ronald Reagan and his new chief of staff Howard Baker, the veteran conciliator he summoned to help salvage his foundering Administration, is whether they can somehow redraw the sorry picture of the lack of presidential leadership that emerges from the report. It is a portrait all the more devastating for having been sketched with tight-lipped reluctance by three elder statesmen struggling to be

both objective and polite. Reagan stands exposed as a President willfully ignorant of what his aides were doing, myopically unaware of the glaring contradictions between his public and secret policies, complacently dependent on advisers who never once, from start to finish, presented him with any systematic analysis of aims, means, risks and alternatives. And, in the end, as a President unable to recall when, how or even whether he had reached the key decision that started the whole arms-to-Iran affair. Reagan's final word on whether he had given advance approval for Israeli sales of U.S.-made weapons in 1985, delivered in a letter to the commission after he had first told it that he had and then that he had not: "I'm afraid that I let myself be influenced by others' recollections, not my own . . . the simple truth is, 'I don't remember—period.'"

What is perhaps most distressing about this portrait is its familiarity. The picture of an inattentive, out-of-touch President may

have been limned before, but never so authoritatively. The President who told the Tower commission, formally known as the President's Special Review Board, that he "had not been advised at any time . . . how the plan would be implemented" is the same Reagan who has consistently fumbled names and numbers in press conferences and campaign speeches over the years. The President who did not understand that arms-for-hostages swaps, in the commission's words, "ran directly counter to the Administration's own policies on terrorism" is the same Reagan who has never admitted, probably even to himself, that his tax and spending programs were bound to result in gargantuan budget deficits. The President who apparently did not even try to control the activities of Oliver North, John Poindexter and the rest of the hostage-trading crew (for example, he complained to the Tower commission that no one ever told him North was providing intelligence data as well as arms to Iran) is the same Reagan who has let divisive disputes between the Pentagon and State Department paralyze arms-control policy for six years. The defects of what the commissioners euphemistically called Reagan's "management style," and what some former associates more bluntly term mental laziness, were largely offset during his successful first term by the advice of an exceptionally talented group of aides. But since re-election the President has been surrounded by advisers whose own deficiencies, as the commission makes clear, disastrously dovetail with those of their boss.

So, can Reagan recover? Can he establish control over a fractured and demoralized Administration, set an agenda that would give the nation and world a renewed sense of leadership and prevent the last 23 months of his term from becoming a limping and possibly dangerous procession into the twilight? Perhaps. But it will involve conveying to the American people that he now, finally, understands what went wrong and what mistakes he made, and providing convincing assurances that they won't happen again. The real necessity is that Reagan become again the active, engaged President he was at times, though only at times, during the first term. That will require that he change the habits of a lifetime—no easy task for a man just turned 76—and surround himself once more with aides who will challenge him, rather than merely people he feels comfortable with. And even if he does, Washington teems with skeptics who think it may be too late. Says Newt Gingrich, a conservative Republican Congressman from Georgia: "He will never again be the Reagan that he was be-

fore he blew it. He is not going to regain our trust and our faith easily."

The appointment of Howard Baker could turn out to be an important first step. To be sure, Reagan took it well past the eleventh hour. He had been under pressure from old friends, Republican allies and his wife to fire Donald Regan as chief of staff ever since the Iran-*contra* affair broke. Still, Reagan clung to his abrasive, autocratic chief of staff until after the Tower report came out. By comparison with the unsparing criticism directed at almost everyone else, Regan actually got off rather lightly: the commission found no evidence that he had played any significant part in planning or carrying out the Iran initiative or covering it up afterward. But Regan was blamed for failing to make sure that an "orderly process" was followed in formulating that policy, and in particular for the "chaos that descended upon the White House" once the arms sales became public. Even then, he was virtually chased from office by the momentum of events; he quit only minutes before Baker's appointment.

The way in which Regan's successor was selected gives scant reason to believe that the President is about to change his ways. He made little effort to weigh Baker's strengths and weaknesses; once again he accepted passively the recommendation of some close advisers. But the choice itself was perhaps the best that could have been made. Reagan's close friend Paul Laxalt explained why he had strongly recommended Baker. The chief of staff, he said, should be "someone with credibility on Capitol Hill, credibility with the press, credibility with party people. More important, he should be a believer in the Reagan program and able to carry it out. I'm talking about a Washington political heavyweight." Most of that fits Baker, a patient coalition builder who acquired enough political heft during his 18 years in the Senate to have had a long-shot chance at the presidency. He was, in fact, briefly a rival of Reagan's for the 1980 nomination, and was preparing a run for the 1988 prize when he agreed to fold his campaign and serve the man he had hoped to succeed. (Some noted cheekily that, given Reagan's "management style," this was Baker's chance to be acting President for 23 months.)

As Senate majority leader during Reagan's first term, the diminutive Tennessean pushed Reagan's tax and spending cuts through the upper chamber with tact and skill, earning the respect even of the President's opponents. Though he is too moderate and conciliatory to please Reagan's hard-right fans for long, the choice of Baker drew wide initial praise. Democratic Senator James Sasser, Bak-

er's onetime colleague from Tennessee, praised the new chief of staff's "pragmatism and reasonableness" and called the selection of Baker a "stroke of genius."

Baker has some drawbacks, though. He is not a particularly good manager and will need strong assistants to run the White House staff. Whether he can find them is questionable; he quit the 1980 campaign early partly because he could not put together a powerful team. On the other hand, he is well qualified to advise Reagan on how to cope with congressional investigations into a White House scandal. As a member of the Senate Watergate committee in 1973, Baker coined the question about Richard Nixon that came to dominate that probe: "What did the President know and when did he know it?"

How much further is this President prepared to go in shouldering blame and cleaning house? A vital clue will come in the televised speech to the nation that he is preparing to deliver at midweek. It shapes up as probably the most important speech of his presidency. At week's end, though, it was still undecided what Reagan would say. Virtually every one of the President's current advisers is arguing that Reagan should forthrightly accept the blame for Iranscam that the Tower commission pinned squarely on him, confess blunders on his own part as well as by his staff, and follow up quickly by submitting to the battering of the press at a news conference. Says one aide: "First, he has to go on television and admit that he blew it, that if he had it to do over, he certainly wouldn't do it again. Second, he's got to take his lumps at a press conference." There is, however, one adviser whose word weighs heavily with the President who partly disagrees: Nancy Reagan. The First Lady has dropped her once adamant opposition to subjecting her husband to the strain and possible humiliation of a press conference. But she still thinks Reagan can get by with suggesting that he was misled by poor advisers, and firing a few staffers in addition to Reagan. No one is yet sure whether Reagan can be induced to confess, first of all to himself, any fundamental error. To take the most important example, the President has consistently and vehemently denied that the U.S. was swapping arms for hostages, though the voluminous record assembled by the Tower commission leaves no question that that is what happened. At the televised briefing introducing the findings, Chairman John Tower, the former Republican Senator from Texas, asserted flatly that however the Iran initiative began, "it very quickly became an arms-for-hostages deal." Commission Member Edmund Muskie, a former Secretary of State, asserted that the President personally "was driven by that compassion for the hostages from beginning to end." But it is far from clear whether Reagan has yet admitted that even in his own mind. Speaking generally of a confession of er-

ror, one White House aide says, "It won't work, in fact it would backfire, if Reagan says it and doesn't believe it."

Another question is how far the purge triggered by the Tower commission report will go. Said White House Spokesman Marlin Fitzwater: "The President is rightfully angry at the mismanagement that has occurred, and he is determined to make changes." Most of Don Regan's assistants, often derided as the "mice," will shortly follow their chief out the White House door. The Cabinet is a tougher problem. The present members most criticized by the Tower panel are the least likely to go: Secretary of State George Shultz, Secretary of Defense Caspar Weinberger and Attorney General Edwin Meese.

The Tower commission blamed Shultz and Weinberger, the two most prominent opponents of the Iranian arms sales, for in effect closing their eyes to what was happening. The commission also scored Reagan and his aides for never bothering to consider whether their actions complied with the law; as the chief legal adviser to the President, Meese must bear blame for that. But Shultz says he will not resign, and replacing him would cause more turmoil in foreign policy. Weinberger and Meese are old friends of Reagan's from California days. Replacing lower-ranking Cabinet members unconnected to Iranscam would prove nothing, though it might serve to energize an Administration that suffers from intellectual lameness.

Reagan may also have to look for a new CIA chief. He has nominated Deputy Director Robert Gates to succeed the ailing William Casey. Though the Tower commission found that Gates had played only a minor role in the sale of arms to Iran, it raised suspicions that he might have been involved in the secret, and possibly illegal, provision of military assistance to the *contras*.

Before the report was issued, nose counters projected an 11-to-4 Senate Intelligence Committee majority for recommending Gates' confirmation. Now the count is thought to be 8 to 7—and nobody is sure which side would wind up with the eight. The committee will question Gates again in closed session this week, but is likely to put off a vote, possibly until all congressional investigations of the Iran-*contra* affair are concluded. That would be a "solution" satisfactory to nobody: Gates would be running the CIA as acting director, probably for many months, but with a cloud hanging over him.

The real challenge for the Reagan presidency is whether it can now get energetically involved again with other issues. Reagan's aides are counseling him to revive the strategy that proved so effective during the first term: pick two or three major proposals and push them for all they are

worth. Domestically, they are urging him to hit the road, selling his package of "competitiveness" proposals—aimed at pepping up American industry and education to meet foreign trade competition—in schools and factories across the country.

In foreign policy, the top priority should be finally concluding a deal with the Soviets to reduce the number of nuclear weapons, a goal that Howard Baker strongly endorses. That is both Reagan's greatest challenge and foremost opportunity: Mikhail Gorbachev seems clearly to want an arms-control pact, and soon. To get one, some advisers are urging the President to overcome his reluctance to crack heads and insist on getting the Pentagon and Foggy Bottom into harmony. Reagan's most recent decision has been in favor of Pentagon hawks who are out to kill any chance of arms control. The President has decided at least tentatively to adopt a "broad" interpretation of the 1972 antiballistic-missile treaty that would permit wide-scale testing of his Strategic Defense Initiative in space. Not only will this position anger the Soviets but it may be

impossible to sell to America's European allies. Other foreign policy problems are crowding in, and will be exacerbated by the fallout from the Tower commission report. The most immediate and, for Reagan, disastrous effect may be the collapse of the *contra* campaign. The *contras* are central to the so-called Reagan doctrine of helping rebels wage guerrilla war against Marxist governments in widely scattered areas of the globe: Afghanistan, Angola, Kampuchea. But the *contras* cannot carry on their rebellion without continued U.S. assistance. The Tower report shows the extent to which North, Poin-dexter and the CIA went, in circumventing the law, to slip arms to them during a period when Congress had forbidden any direct or indirect U.S. military assistance.

At the State Department, officials are privately predicting that Elliott Abrams, the intensely committed Assistant Secretary of State who has served as the point man in the *contra* crusade, will be gone by summer. The report shows that his involvement in Ollie North's private *contra*-supply network was far greater than

Continued

2

he had previously testified. Says one source close to Abrams: "There is no way Elliott can survive this." The *contra*-aid program will have similar problems surviving, even though it makes little sense to tie its fate to the Iranian scandal.

Despite the illogic of cutting off the *contras* as a reaction to the excesses of their Administration backers, State Department officials see no way that, in light of the Tower findings, Reagan can win the additional \$105 million he is requesting for the cause. Some have already begun referring to the anti-Sandinista rebels in the past tense. Says one official long involved in the *contra* war: "We had been devising a strategy to somehow save this thing, but after this report, it's all over. We need to start thinking about evacuating the *contras*, figuring out what to do with them now that they won't be fighting a war." Reagan is unlikely ever to admit that. Some close aides see only two alternatives to continued help for the *contras*: an outright U.S. invasion of Nicaragua or an unsatisfactory political settlement with the Sandinistas. They sometimes talk as if they do not know which would be worse.

The Tower commission could not examine *contra* aid in anything like the detail of its findings on the Iran arms sales. But at public hearings probably beginning next month, special Senate and House investigating committees will focus on developing that story further. Last week the committees, with the approval of Independent Counsel Walsh, announced that they will grant limited immunity from prosecution to secure the testimony of three witnesses: Fawn Hall, Oliver North's secretary; Robert Dutton, an associate of retired Major General Richard Secord, who was deeply involved in both the Iran and *contra* operations; and Edward de Garey, a Pennsylvania businessman connected to an apparent front company that paid pilots flying arms to the *contras*.

Any possible indictments will be up to Walsh. The independent counsel has hired 19 attorneys and opened two offices. But his inquiry is likely to be slowed by challenges that North and others have filed as to the constitutionality of the law under which he was appointed. Even if the courts reject those challenges, potential witnesses may refuse to testify until the constitutional problem is cleared up. In any case, the sheer scope of the inquiry Walsh intends to conduct could take as long as two years.

So there is rich potential for future shocks, possibly continuing until the very end of the Reagan Administration. But with the Tower report, the essentials of the bizarre story are resoundingly confirmed. Although the report contained no sensational new revelations, no "smoking gun," in Watergate parlance, the Administration might have been better off if it had. That at least would have been a distraction from having the sad tale laid out from beginning to end in Olympian, judicious language, by respected statesmen hand-picked by the President.

It will now be up to Ronald Reagan to answer one question the commission did pose in so many words. In its single literary flourish, the report prefaced its chronology of the Iran and *contra* operations with an apt quotation from the 2nd century Roman poet Juvenal: *Quis custodiet ipsos custodes?* Who will guard the guards themselves? Under the American system, the answer can only be the President—an active, engaged President, rather than the befuddled and intellectually lazy figure so damningly portrayed in the Tower report.

—By George J. Church.
Reported by David Beckwith, Barrett Seaman
and Strobe Talbott/Washington